



COMMISSION ON INSURANCE

COUNTY OF LOS ANGELES

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Glenn S. Brown, J.D.
Helene S. Lohr, LUTCF
Luther W. Nash
Patricia Torres, Esq.
Steven Vicencia, CPCU
William K. Callagy

MINUTES

Meeting of July 8, 2010
Kenneth Hahn Hall of Administration, Room 383
500 West Temple Street, Los Angeles, CA 90012

Commissioners Present: Scott J. Svonkin, Daniel Falcon, Bob L. Blake, Glenn S. Brown, J.D. Helene S. Lohr, LUTCF, Luther W. Nash, Steve Vicencia CPCU and William K. Callagy.

Commissioners Absent: Barry Binder Esq., and Patricia Torres, Esq.

CALL TO ORDER

There being a quorum, Chairperson Svonkin called the meeting to order at 10:38 a.m.

PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Chairperson Svonkin.

APPROVAL OF MEETING MINUTES

On motion of Commissioner Vicencia, seconded by Commissioner Blake and unanimously carried, the March 18, 2010 meeting minutes were approved.

CHAIRMAN'S REPORT

Chairperson Svonkin reported the following:

- Received a response from Anthem Blue Cross stating they are unable to attend the July meeting. The 39% rate increase requested by Anthem Blue Cross was withdrawn in March 2010 after the Department of Insurance's outside actuary identified errors in their filing. On June 30, 2010, Anthem Blue Cross resubmitted an average rate increase of 14% to Department of Insurance.
- Directed staff to send a follow-up letter inviting Anthem Blue Cross to the September 30, 2010 meeting. After discussion, the Commission decided to also extend the invitation to Aetna.
- Commission to extend an invitation to the run-off candidates for the Office of State Insurance Commissioner to the September 30, 2010 meeting.

- Commission to extend an invitation to the State Insurance Commissioner Steve Poizner or a representative from his office to attend a future meeting.

UPDATE AND DISCUSSION ON THE FIRE, FLOOD AND EARTHQUAKE PRESS CONFERENCE WITH SUPERVISOR MICHAEL D. ANTONOVICH, FIFTH DISTRICT

Staff reported that the press conference is scheduled for Wednesday, August 4, 2010. The Commission will invite Fire Chief Freeman and a representative from Los Angeles County Office of Emergency Management to participate in the press conference. Staff is in contact with Tony Bell, Communications Deputy and Assistant Chief Deputy, Fifth District on securing a location in LaCanada area for the press conference.

REVIEW THE 2009 FIRE TIP SHEET

Chair Svonkin, suggested Commissioners review the Tip Sheet and update information if needed.

DISCUSSION ON HEALTH CARE INSURANCE RATE INCREASE

Chairman Svonkin directed staff to send a follow-up letter inviting Anthem Blue Cross and Aetna to the September 30, 2010 meeting. Chairman Svonkin is interested in the criteria and resources the insurance industry uses to evaluate and justify their rate increases.

UPDATE ON THE APRIL 8, 2010 SUBCOMMITTEE ON FRAUD MEETING

Commissioner Brown reported the four main goals discussed during the Subcommittee on Fraud Meeting (copy on file).

- To establish procedures and develop actions that can be taken by the County of Los Angeles or the State of California to detect and eliminate fraud. Establish an agency to audit/examine health care insurance industry practices as well as health care providers.
- Establish a protocol for the consumer to sign off on medical bills to verify that the services billed were actually performed. Determine the cost effectiveness of the protocol.
- Establish procedures and means to educate the consumer about what constitutes fraud and the repercussions of being a party to fraud.
- Examine, within the stated purview of the subcommittee, fraud and how it causes instability in a business, whether the provider or the insurance company. Determine the effect fraud has on the consumer, community and availability of insurance.

PUBLIC COMMENT

Dennis Callagy, Vienna, Austria, the son of Commissioner Callagy, stated that the meeting was informative. He also informed the Commission that everyone in Austria has access to healthcare.

MATTERS NOT POSTED ON THE AGENDA TO BE PLACED ON A FUTURE AGENDA

There were none.

ADJOURNMENT

There being no further business and without objection, the meeting was adjourned at 11:13 a.m. The next meeting is September 30, 2010.

ATTENDANCE

Staff

Twila P. Kerr, Board of Supervisors
Garen Khachian, Board of Supervisors

Guest

Dennis Callagy